



Leazes Homes Limited

(A company limited by guarantee and not having a share capital)

**Report and Financial Statements
For the year ended 31 March 2018**

Charity Number :	1133627
Company Number:	6888341
HCA Registration Number:	4633

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Corporate Information

Chair	D Keightley (appointed 6 August 2018) D W Midgley (resigned 11 July 2018)
Trustees	C Waddell M E Reynolds V Dunn J Streather (resigned 9 April 2018) D Theobald (resigned 9 April 2018) M Brady (appointed 7 September 2017) C Rabbetts (resigned 18 May 2017) Appointed after the year end: W Thompson (appointed 9 April 2018) G Walsh (appointed 9 April 2018)
Company Secretary	Jon Mitford
Registered Office	Jubilee Court Kenton Road Newcastle Upon Tyne NE3 3BW
Company Number	6888341
Charity Number	1133627
HCA Number	4633
External Auditors	Ernst & Young LLP Citygate St James' Boulevard, Newcastle Upon Tyne NE1 4JD
Bankers	Natwest 16 Northumberland Street Newcastle Upon Tyne, NE1 7EL
Solicitor	Mr John Softly Civic Centre, Barras Bridge Newcastle Upon Tyne NE1 8PR

Structure, Governance and Management and Objectives and Activities

Principal business

The principal activity of the Company is the provision of high quality, affordable accommodation to people in need who reside in the City of Newcastle upon Tyne.

As at 31 March 2018, the Company had 718 units in stock comprised of 570 new build properties and 148 acquired properties, of these 378 are general housing including shared ownership, 52 properties for older people and, 288 supported properties. There are 46 units under construction. The Company entered into a management agreement with Your Homes Newcastle ('YHN') on 1 January 2015 under which YHN provide a range of housing management services to Leazes Homes tenants. This contract is currently out to tender and a new service contract will commence from August 2018.

Organisational structure

Leazes Homes (LH) is a company limited by guarantee with charitable status. It is governed by a Board of Trustees who are also the members of the Company. The Trustees are responsible for directing the vision and strategic direction of the Company.

The day to day management of the Company is delegated to an Executive Management Team which consists of the Managing Director (also the Company Secretary) and Director of Finance. As of 1 April 2017, the Managing Director is employed directly by Leazes Homes, having previously been seconded from Your Homes Newcastle to the Company. The Finance Director is seconded to the Company from Your Homes Newcastle. The Executive Management Team manages the business in accordance with the Scheme of Delegation and the Financial Regulations.

YHN provides a range of housing management services to Leazes Homes' tenants. In order to provide assurance to the Trustees that the services being provided are of the required standard, YHN provides performance information to the Trustees on a quarterly basis. YHN's Customer Services Director also attends Trustee meetings to present the performance report and to answer any questions raised by the Trustees.

Governing Document

Leazes Homes Limited is a company limited by guarantee and was incorporated on 27 April 2009. The Company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. The Company is registered with the Charity Commission and is also registered with the Homes England.

Structure, Governance and Management and Objectives and Activities (continued)

Organisational structure (continued)

In the event of the Company being wound up members are required to contribute an amount not exceeding £10.

The Trustees are responsible for the governance, strategy and ensuring the objectives of the Company are delivered. The Company adopted the National Housing Federation Code of Governance 2015 edition in October 2017 and has put in place the necessary arrangements to comply with the Code. The Company is supported by Newcastle City Council, who provide expertise and support as required through a Service Level Agreement.

Statement of Compliance with Code of Governance National Housing Federation 2015 edition

The Board of Trustees recognise the importance of effective governance arrangements to support the operation of the company. Leazes Homes has adopted and is acting in compliance with the National Housing Federation's Code of Governance 2015

Recruitment and Appointment of Trustees

The directors of the Company are also charity trustees for the purposes of charity law and under the Company's Articles of Association are known as Trustees.

During the year ended 31 March 2018 the trustees of Leazes Homes were:-

- Three individuals nominated by Newcastle City Council (known as 'the Council Trustees'): - V Dunn, J Streather, D Theobald; and
- Four individual trustees (known as 'the Ordinary Trustees'): - M Reynolds, C Waddell, DW Midgley (resigned 11 July 2018), D Keightley; and
- One Tenant trustee - M Brady

In April 2018 the trustees passed a special written resolution to change the Articles of Association to ensure compliance with the Regulation of Social Housing (influence of Local Authorities) (England) Regulations 2017. These regulations limit the level of Local Authority representation on the Boards of private Registered Providers of Social Housing in England (with some exceptions). As a result, with effect from 9 April 2018 the organisation's Articles of Association state that the Trustees shall consist of at least five and not more than eight individuals, made up of :-

* One individual nominated by Newcastle City Council (known as the Council Trustee) - V Dunn (J Streather and D Theobald resigned 9 April 2018);

Structure, Governance and Management and Objectives and Activities (continued)

Organisational structure (continued)

* A minimum of three and maximum of six individual trustees (known as "the Ordinary Trustees) - M Reynolds, C Waddell, DW Midgley (resigned 11 July 2018), D Keightley, and two new trustees, G Walsh and W Thompson, who were appointed from 9 April 2018;

* One tenant trustee - M Brady.

The Ordinary Trustees are appointed by the members. Ordinary Trustees can also be appointed by the existing Trustees, either to fill a casual vacancy or as an addition to the existing Trustees, although the total number of Trustees cannot exceed the number specified in the Articles.

The Council Trustee is appointed by Newcastle City Council ('the Council') to serve for such period of office as shall be confirmed by the Council.

The Tenant trustee is appointed by the members

The Tenant trustee and one third of the Ordinary Trustees must retire at each Annual General Meeting (*article 12.5.1*). All trustees serve a maximum of nine years.

Trustee Induction and Training

All new Trustees receive training to brief them on their obligations under charity and company law, the Charity Commission guidance on public benefit, the content of the Memorandum and Articles of Association, the decision-making processes, the business plan and recent financial performance of the Company.

As necessary, training is provided to all Trustees throughout the year, to ensure they continue to meet all legal and statutory requirements. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Audit Committee

The Company has an Audit Committee which currently meets twice a year. The purpose of the Audit Committee is to make sure that the Company's internal financial control systems and risk management systems are effective and meet regulatory requirements.

The Audit Committee has a membership of three Ordinary Trustees and an external independent professional who chairs the Committee. This helps the Company to identify and assess potential risks within the business and develop appropriate controls and systems which help to reduce those risks to an acceptable level.

Structure, Governance and Management and Objectives and Activities (continued)

Our Aims and Objectives

The principal objects of the Company are:

- to provide housing, including social housing or hostels or other residential accommodation and any associated amenities for persons in necessitous circumstances upon terms appropriate to their means;
- to provide for aged, disabled (whether mentally or physically) or chronically sick persons in need thereof houses or hostels or other residential accommodation and any associated amenities specially designed or adapted to meet the disabilities and requirements of such persons;
- to provide services, advice or assistance upon terms appropriate to their means to aged, disabled (whether mentally or physically) or chronically sick persons or other persons in necessitous circumstances in need thereof and providing any associated amenities specially designed or adapted to meet the disabilities and requirements of such persons;
- the provision of recreation or other leisure facilities in the interest of social welfare with the object of improving the conditions of life for the residents of the Area of Benefit (being the City of Newcastle upon Tyne);
- the relief of poverty amongst the residents of Newcastle upon Tyne;
- the advancement of education, training or retraining, particularly among unemployed people and providing unemployed people with work experience; and
- the maintenance, improvement or provision of public amenities for the public benefit in the interests of regeneration in areas of social and economic deprivation in which the Company owns or manages housing stock.

The strategic aims of the Company are:

- To achieve the charitable objects of the charity by:
 - Providing high quality affordable homes and services, including support services, for people in need; and
 - Supporting education, training or retraining, particularly among unemployed people.

Structure, Governance and Management and Objectives and Activities (continued)

- The provision of new opportunities for people and to build communities for the future.
- Ensuring there are more affordable homes.

The strategic objectives of the Company are:

- To develop an operational model which enables the efficient development of new social housing;
- To become a preferred partner of related organisations in the social housing field;
- To be a landlord of choice for social housing tenants primarily in the north east; and
- To develop a specific focus on special needs development.

Public Benefit

The Trustees regularly review and consider the Company's aims and objectives. This is to ensure that they are being achieved and to assess how the Company's activities benefit those residing in the Company's primary operating area, which is currently Newcastle upon Tyne. The Trustees considered guidance contained within the Charity Commission's general guidance on public benefit when defining its aims and objectives and continue to consider how its activities will benefit the public.

The Trustees confirm that the Company's objectives fully meet the public benefit test and that all activities of the Company described in the report are undertaken in pursuit of its aims.

Further information about the Company's public benefits are set out in the Review of the Year section below.

Value for Money

The Company continues to be committed to delivering value for money for tenants and stakeholders. Reductions have been made in our housing management and repair and maintenance contracts and the costs of grounds maintenance are forecast to reduce following the completion of a procurement exercise for grounds maintenance. Activities planned for the year ahead include the procurement exercise for housing management services and a options review of repairs and maintenance service arrangements. Our full Value for Money Assessment can be viewed at www.leazeshomes.org.uk

Structure, Governance and Management and Objectives and

Governance and Financial Viability Standard

The Company has assessed their compliance with Homes England's Governance and Financial Viability Standard and complies with the requirements of Homes England's Governance and Financial Viability Standard.

Strategic Report

The Trustees of Leazes Homes Limited ('the Company') present their Strategic Report for the year ended 31 March 2018.

Review of the Year

Provision of affordable homes

During the financial year, the Company added a further 127 units to its property portfolio. The Company now owns and manages 718 operational residential units as at March 2018 providing much needed affordable housing across Newcastle upon Tyne

Employment and Training Opportunities

The Company is continuing to provide training and employment opportunities in conjunction with Leazes' Homes development partners. Over the last year, 3 new apprenticeships have been created alongside a number of employment and training initiatives.

Welfare Reform

The four year rent reduction and welfare reform measures have made the financial environment challenging for Registered Providers. The Company has modelled the impacts of these changes and has taken a number of measures to mitigate adverse impacts. This includes:-

- Building rent reductions into all investment appraisals to ensure the development programme continues to be sustainable;
- Reviewing operational models to ensure that services are being organised and delivered efficiently; and
- Reducing costs in services.

Future Developments

The Company's principal objective is the provision of affordable housing across Newcastle upon Tyne. 2018/19 will be an exciting but challenging year for the business and its build programme. 46 new units will be added during the year which will include

- 18 units at Dunblane, West Denton, Newcastle upon Tyne providing general needs accommodation; and
- 28 units in Pendower, Newcastle upon Tyne providing general needs accommodation;

Strategic Report (continued)

Future Developments (continued)

In addition several sites are in the early stages of development and it is anticipated that additions will be made to the Company's new build programme over the coming year. The Company is also looking to acquire built units to increase the number of properties it owns.

The Company and its Trustees are committed to providing benefits to communities through its activities. Construction related training and employment opportunities will continue to be provided in conjunction with Leazes Homes' construction and development partners.

The Company is continuing to develop partnerships with other charities to provide services to the companies' tenants and a pilot handyperson scheme is to be launched in 2018/19 in partnership with another charity.

Financial Review

Principal funding sources

The principal funding sources for the Company are the receipt of rental and service charge income from tenants, loans from Newcastle City Council and Royal Bank of Scotland as well as grants from the Homes England and Newcastle City Council.

Investment Policy

Surplus cash is invested with Newcastle City Council. No investments were made during 2017-18.

Reserves Policy

Reserves are required to bridge the gap between expenditure and income and to cover for unplanned events. The Trustees consider that the ideal level of reserves for the Company as at 31 March 2018 would be £384,000.

The Company has a strong balance sheet and as at 31 March 2018 had reserves of £1,496,000.

Strategic Report (continued)

Financial Risk Management Policy

The Company's principal financial instruments comprise loans, cash and short term investments. Other financial assets and liabilities, such as rent debtors and related party balances, arise directly from the Company's operating and financing activities.

The main risks associated with the Company's financial assets and liabilities are set out below. The Company does not undertake any hedging activity.

Interest Rate Risk

Financial assets, liabilities, interest income and cash flows can be affected by movements in interest rates. In order to mitigate exposure to interest rate fluctuation, the Company has a target of 80-90% fixed long term borrowings until maturity of the loans. This reflects and matches the long term nature of the Company's fixed asset base and regular rental income arising from it. The Trustees do not consider there to be any significant exposure.

Price Risk

There is no significant exposure to changes in the carrying value of financial liabilities.

Credit Risk

The Company's policy is aimed at minimising such losses with a key focus on rental arrears collection in order to minimise bad debt exposure. Individual exposures and overdue debts are monitored to ensure that the Company's exposure to bad debts is not significant.

Liquidity Risk and Future Borrowings

The Company is not currently exposed to liquidity risks as its liabilities are met directly by Newcastle City Council on its behalf. This is planned to change during 2018-19 and Leazes Homes is managing its short term cash forecasting on the basis of this change.

As at 31 March 2018, the Company had £28,691,000 of loan funding (excluding amortisation of loan fees) from Newcastle City Council (2017: £22,500,000) with the earliest maturity in 2026. The company had fully drawn its £5,000,000 loan facility with RBS at 31 March 2018. There are no plans to draw from existing loan facilities of £1,024,000 with Newcastle City Council during 2018-19.

Foreign Currency Risk

The Company does not engage in any foreign currency transactions. All its activities take place within the United Kingdom and consequently, the Company is not exposed to any foreign currency risk.

Strategic Report (continued)

Financial Risk Management Policy (continued)

Risk Management

The Company has a Risk Management Policy, which sets out the Company's approach to managing risk. The Board sets the risk appetite for the Company annually using a risk appetite framework and also reviews the strategic risk register annually. The Company's Audit Committee monitors and reviews the strategic risk register as a standing item and recommends changes to the Board. Where appropriate, systems or procedures have been established to mitigate against the risks which the charity faces. The Company also has implemented procedures to minimise any potential impact on the charity should such risks materialise.

Principal Risks and Uncertainties

The most significant risks facing the Company as at 31 March 2018 were:

1. Restrictions on availability of funding restricts development

If the Company faces increased restrictions on accessing funding then development activities will reduce. Actions taken to mitigate this risk include:-

- Funded delivery programme up until March 2019;
- Modelling of alternative financing models; and
- Developing links with other lending institutions.

2. Failure to plan for management succession disrupts delivery and service provision

Any changes to the Executive Management Team, who have extensive knowledge of the Company's affairs, could affect the delivery of the Company's business and development plans. The following actions are taken to mitigate against the risk:-

- Direct employment by the Company of the Managing Director; and
- Implementation of a Management Succession Plan;
- Procurement exercise for housing management service provider; and
- Developing links with other Registered Providers.

Strategic Report (continued)

Financial Risk Management Policy (continued)

3. Changes in government policy towards housing provision that might create opportunities or threats

The government has introduced different priorities for affordable housing. The risk is that the principle objects of the company may make it difficult to deliver against these priorities. The following actions are taken to mitigate against these risks:-

- Modelling of alternative financing models;
- Funded delivery programme up to March 2019; and
- Quarterly update meetings with Homes England.

4. Changes introduced through Welfare Reform affect the financial viability Leazes Homes

Tenants affected by benefit changes may be unable to pay their rent which would result in a loss of income to the Company. The following actions are taken to mitigate against the risk.

- Identifying areas to reduce cost;
- Delivery of project plan to respond to Welfare Reform;
- Households affected by Welfare Reform identified and visits to at risk households to continue;
- Awareness and communication exercises undertaken to inform tenants of the potential effects of Welfare Reform.
- Provision for bad debts;
- Interventions in rent arrears escalation process;
- and Development appraisals for new schemes to build in provision for rent reductions.

Report was approved by the Trustees on 6 August 2018 and signed on its behalf by:



Jon Mitford
Company Secretary



Dawn Keightley
Chair

Trustees' Report

A list of Leazes Homes' Trustees for the year ended 31 March 2018 is shown on page 1.

The Trustees present their Report and Financial Statements for the year ended 31 March 2018.

The Company has chosen in accordance with Section 414C(ii) of the Companies Act 2006 to set out in the Company Strategic Report detailed above the following which the trustees believe to be of strategic importance:

- Review of the Year
- Future developments
- Financial review
- Financial risk management policy

Policy on the Employment, Training and Development of Disabled People

The Trustees have approved an Equality and Diversity Policy that sets out the Company's objectives relating to the employment, service delivery, working with other organizations and involving the community which recognises and seeks to address the inequalities and disadvantages that many communities, including disabled people, face in society.

Going Concern

Having made enquiries, the Trustees consider that the Company's current and future prospects and its availability of financing are adequate to enable it to continue business for the foreseeable future and that they are also satisfied that the Company can continue to pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements.

The Trustees consider that a robust going concern assessment process was undertaken and the results discussed and challenged formally at the Audit Committee on 17 July 2018. At that meeting the Audit Committee recommended that the Trustees approve the annual accounts.

The process for determining whether or not the Company is a going concern involved a number of considerations including an assessment of the financial budgets and forecasts for the Company up to 31 March 2048. This period is considered to be 'foreseeable future' as required for this ongoing assessment only and is in accordance with company law and accounting rules.

Trustees' Report (continued)

Going Concern (continued)

The assessment also considered the solvency and liquidity risks involved in delivering the financial forecasts for the foreseeable future. Further information on the Company's risks can be found on pages 10 and 11.

There were no major changes to the Company's significant liquidity and solvency risks in the year. For this reason, the Trustees continue to adopt the going concern basis of preparation for these financial statements.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with applicable United Kingdom Law and United Kingdom Generally Accepted Accounting Practice.

Regulation requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company for that year. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies then apply them consistently;
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction Registered Providers of Social Housing 2015. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud, bribery and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Trustees' Report (continued)

Disclosure of information to auditors

So far as each person who was a Trustee at the date of approving this report is aware, there is no relevant audit information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Trustees and the auditor, each Trustee has taken all steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Related Parties

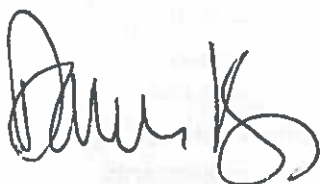
None of the Trustees receive remuneration or other benefit from their work with the Company. Any connection between a Trustee or member of the Executive Management Team with a contractor, supplier or other third party must be disclosed to the Board of Trustees.

During the year ended 31 March 2018 Newcastle City Council held 3/8th of the membership of the Company through the Council Trustees. As of 9 April 2018, Newcastle City Council holds 1/8th of the Company membership.

Auditors

A resolution for the re-appointment of Ernst & Young LLP as auditors of the Company is to be proposed at the Annual General Meeting.

The Trustees' Report was approved by the Trustees on **6 August 2018** and signed on its behalf by:



Dawn Keightley

Chair



Jon Mitford

Company Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEAZES HOMES LIMITED

Opinion

We have audited the financial statements of Leazes Homes Limited for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position, the Statement of Cash Flows and the related notes¹ to 27, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2018 and of its total comprehensive income for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEAZES HOMES LIMITED (Continued)

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEAZES HOMES LIMITED (Continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the structure, governance and management and objectives and activities, strategic report and the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEAZES HOMES LIMITED (Continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Caroline Mulley (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Newcastle upon Tyne
6 August 2018

Financial Statements

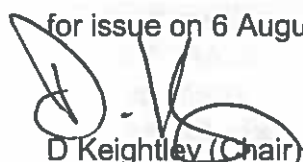
Statement of Comprehensive Income

For the year ended 31 March 2018

	Note	2018 £'000	2017 £'000
Turnover	5,6	5,187	4,286
Operating expenditure	5,6	(3,790)	(2,980)
Operating surplus	7	1,397	1,306
Gain on disposal of property	8	-	3
Interest receivable	10	-	3
Interest payable and financing costs	11	(1,021)	(752)
Surplus before and after tax		376	560
Total comprehensive income for the year		376	560

All amounts relate to continuing activities.

These financial statements were approved by the Board and authorised for issue on 6 August 2018 and signed on its behalf by:



D Keightley (Chair)



C Waddell (Member)



J Mitford (Company Secretary)

Statement of Changes in Reserves

At 31 March 2018

	Revenue Reserve £'000	Designated Reserve £'000	Total Reserves £'000
Balance as at 31 March 2016	560	-	560
Total comprehensive income for the year	560	-	560
Transfer between reserves	(41)	41	-
Balance as at 31 March 2017	1,079	41	1,120
Total comprehensive income for the year	376	-	376
Transfer between reserves	(68)	68	-
Balance as at 31 March 2018	1,387	109	1,496

Financial Statements**(continued)**

Statement of Financial Position		Company registration no: 6888341	
as at 31 March 2018			
	Note	2018 £'000	2017 £'000
Fixed assets			
Tangible fixed assets	12,13	66,027	61,407
		66,027	61,407
Current assets			
Properties held for sale	14	450	208
Trade and other debtors	15	88	941
Cash at bank and in hand		4,889	2,764
		5,427	3,913
Creditors: amounts falling due in less than one year	16	(3,558)	(5,517)
Net current assets/ (liabilities)		1,869	(1,604)
Total assets less current liabilities		67,896	59,803
Creditors: amounts falling due in more than one year	17	(66,400)	(58,683)
Total net assets		1,496	1,120
Reserves			
Income and Expenditure reserve		1,387	1,079
Designated reserve		109	41
Total reserves		1,496	1,120

These financial statements were approved by the Board and authorised for issue on 6 August 2018 and signed on its behalf by:



D Keightley (Chair)



C Waddell (Member)



J Mitford (Company Secretary)

Financial Statements**(continued)****Statement of Cash Flows**

For the year ended 31 March 2018

	Note	2018 £'000	2017 £'000
Net Cash flow from operating activities	19	(280)	2,829
Cash flow from investing activities			
Purchase of tangible fixed assets		(6,236)	(14,783)
Proceeds from sale of tangible fixed assets	8	-	141
Grants received		2,702	4,283
Interest received	10	-	3
Net cash flow used in investing activities		(3,534)	(10,356)
Cash flow from financing activities			
Interest paid		(951)	(1,043)
New secured loans	25	7,270	8,385
Repayment of borrowings	25	(382)	(597)
Withdrawal from deposits		-	1,000
Net cash flow from financing activities		5,938	7,745
Net change in cash and cash equivalents		2,125	218
Cash and cash equivalents at beginning of year		2,764	2,546
Cash and cash equivalents at 31 March		4,889	2,764

Notes to the Financial Statements at 31 March 2018

1. Legal structure

The company is registered under the Companies Act 2006 and is a provider of housing registered with the HCA.

2. Principal accounting policies

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards.

A summary of the accounting policies is set out below.

Going Concern

The financial statements have been prepared on the going concern basis which the Trustees believe to be appropriate for the following reasons. Net current assets position as at 31 March 2018 was £1,869,000 compared to a net current liabilities position of £1,604,000 in 2017.

The company has drawn down external loan borrowings of £5,000,000. This is a long term loan facility and repayments within 12 months are not expected.

Of the net assets above, £2,782,000 was the net current liability with NCC. The company has undrawn loan facilities of £1,024,000 with NCC (2017: £8,300,000). Leazes Homes intends to draw down from this facility during 2018-19 as required.

The Trustees consider that these factors should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. Based on the above, the Trustees believe that it remains appropriate to prepare the financial statements on a going concern basis.

Basis of accounting and statement of compliance

The financial statements have been prepared under the historical cost accounting convention modified to include the revaluation of certain land and buildings and in accordance with applicable accounting standards in the United Kingdom, including Financial Reporting Standard 102 (FRS 102), and the 'Housing SORP 2014: Statement of Recommended Practice for Registered Social Housing Providers', issued in September 2014 and comply with the Accounting Direction for Private Registered Providers of Social Housing 2015, for the year ended 31 March 2017.

Significant judgements and key sources of estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date, and the amounts reported for revenues and expenses during the period.

Notes to the Financial Statements at 31 March 2018

2. Principal accounting policies (continued)

However, the nature of estimation means that actual outcomes could differ from those estimates.

Significant management judgements

The following judgements have had the most significant effect on the financial statements:

Impairment

Housing properties which are depreciated over a period in excess of 50 years are subject to impairment reviews annually. Other assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

From 1 April 2016, social housing rents have been reduced by one per cent per annum and will continue to do so in each year until 2019/20 in accordance with the Housing and Planning Act 2016, which will lead to a reduction in rental income. Whilst a fall in revenue may be an indicator of potential impairment on housing properties, there have been discussions between the National Housing Federation (NHF) and the Financial Reporting Council (FRC) specifically on this issue, and the FRC has agreed that there is a social benefit to social housing assets such that the rent cut in itself is not considered a trigger for impairment.

The expected future reduction in income is considered within all investment appraisals to ensure that the development programme continues to be sustainable. Management has determined based on this that there is no impairment of the Company's social housing properties.

Recognition of grants on accruals basis

An entity shall recognise grants either based on the performance model or an accrual model. All grants which are government grants relating to housing properties are recognised on an accruals basis.

Determination of financial instruments as basic

There is judgement in determining whether financial instruments meet the definition of basic or complex in accordance with Section 11 of FRS 102.

Management has determined that the Company's financial instruments are deemed as basic on the basis of the following:

- Interest paid on the loans is on a fixed rate basis.
- Loan agreements with external providers do not contain two way break clauses.

These loans have therefore been recognized at amortised historical cost.

Notes to the Financial Statements at 31 March 2018

2. Principal accounting policies (continued)

Key sources of estimation uncertainty

The following sources of estimation uncertainty have had the most significant effect on the financial statements:

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets and components at each reporting date based on the expected utility of the assets. Uncertainties in estimates relate to technology obsolescence that may change the utility of the assets and changes to decent homes standards which may require more frequent replacement of key components.

Amortisation of deferred government grants

There is a policy choice in the amortisation of government grants received for housing properties. The accruals policy permits either recognition over the expected useful life of the housing property structure (not land) or over the useful life of the housing property and individual components on a pro rata basis. Government grants received for housing properties are recognised in income over the useful life of the housing property structure.

Recoverability of bad debts

A difficult ongoing economic climate and changes in housing benefit entitlements may increase the risk of non-recovery of rent and service charge arrears at each reporting date, and therefore the Company applies assumptions over the expected recovery of these balances in determining the basis of a bad debt provision. Provision is made against rent arrears of current and former tenants as well as other miscellaneous debts due to the extent that they may not be recoverable.

Turnover

Turnover represents rental income receivable, service charge income receivable, amortised grants, other income from tenants and revenue grants from local authorities. Rent and service charges are also receivable from Newcastle City Council under operating leases for four properties at the Scrogg Road Mental Health Supported Housing Scheme. The annual rent for each property is £1, chargeable annually in advance on 25th March. Service charges of approximately £16k will be due on these four leases during 2017-18, invoiced bi-annually in arrears, with subsequent annual charges subject to review.

A management agreement also exists with Thirteen Group with regards to 14 domestic violence units at Lilac Crescent. The annual charge totals £85,035 and is raised in arrears in monthly instalments. This charge is subject to an annual review.

Notes to the Financial Statements at 31 March 2018

2. Principal accounting policies (continued)

Interest payable

Interest is capitalised on borrowing to finance the development of qualifying assets to the extent that it accrues in respect of the period of development it represents

a) interest in borrowings specifically financing the development programme after deduction of related grants in advance.

b) fair amount of interest on borrowings of the Company as a whole after deduction of SHG received in advance to the extent that they can be deemed to be financing the development programme.

Other interest is allocated at a constant rate on the carrying amount over the period of the borrowing, and is charged to income and expenditure in the year.

Income and Expenditure Reserve

The income and expenditure reserve is part of the Charitable Company's unrestricted funds and is freely available to spend on any of the Charitable Company's purposes. As a Charitable Company Leazes Homes will not hold excessive I&E reserves.

Designated Reserve

A designated reserve is identified to fund specific events for the benefit of the tenants of Leazes Homes. Funds collected and relevant expenditure incurred are recorded by scheme in the income and expenditure account in the period with net movement transferred between the income and expenditure reserve and the designated reserve at the end of each year.

Housing properties and depreciation

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit and are stated at cost less accumulated depreciation and impairment losses. Cost includes the cost of acquiring land and buildings, development costs plus any costs incurred in bringing the asset to its working condition.

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties on practical completion of construction.

Interest is capitalised on projects under construction from the time funds are available until completion of the project.

Notes to the Financial Statements at 31 March 2018

2. Principal accounting policies (continued)

Housing properties and depreciation (continued)

Depreciation is calculated to write off the cost or valuation of housing properties by component on a straight line basis over their useful lives of the component categories as follows:

- Land - not depreciated
- Structure - 50 to 100 years
- Major components - 15 to 60 years
- Minor components - 5 years

Housing properties which are depreciated over a period in excess of 50 years are subject to impairment reviews annually. Other assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Other tangible fixed assets

Disabled adaptations relate to those major works and equipment installations deemed essential to bring an individual property fit for use by the tenant.

Depreciation is on a straight line basis over their useful lives. The principal rates and bases used are:

- Disabled adaptations - 10 years
- IT Software and Hardware - 5 years

Non routine repairs expenditure

Non routine repairs expenditure is capitalised to the extent it represents an improvement to the property, otherwise it is expensed in the year in which it is incurred.

Shared ownership properties

Shared ownership properties are split proportionally between current and fixed assets based on the element relating to first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds included in turnover and the remaining element is classed as fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand and short term deposits.

Debtors

Debtors are measured at transaction price, less any impairment.

Notes to the Financial Statements at 31 March 2018

2. Principal accounting policies (continued)

Debtors (continued)

Provision is made against rent arrears of current and former tenants as well as other miscellaneous debts due to the extent that they may not be recoverable.

Creditors

Creditors are measured at transaction price.

Capital grants

Where developments have been financed wholly or partly by Social Housing Grant or other capital grants. Capital grants and donations are recognised in the financial statements on the basis of the event dates which must be reached prior to the grant becoming claimable. Where grant received is in excess of costs incurred the excess is transferred to creditors. On disposal of properties which have been financed wholly or partly by Social Housing Grant, the amount of grant not abated by the Housing Corporation is transferred to the recycled Capital Grant Fund or Disposals Proceeds Funds, depending upon the disposal, and, if not recycled in accordance with Housing Corporation Circular F2 - 21/97, may become repayable.

Government grants received for housing properties are recognised in income over the useful life of the housing property structure in accordance with Housing SORP 2014.

Financial instruments

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised historic cost model and thus recognised at amortised historical cost.

Non-basic financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in surplus or deficit. At each year end, the instruments are revalued to fair value, with the movements posted to the income and expenditure.

3. Corporation taxation

As a registered charity, Leazes Homes is able to claim exemptions from corporation tax where gains are applied for charitable purposes. All gains for Leazes Homes in 2017-18 relate to furthering the charitable purposes of the organisation and are therefore exempt from Corporation Tax.

Notes to the Financial Statements

at 31 March 2018

4. Employee information

	2018	2017
	No's	No's
a) Staff costs		
The average number of persons employed during the year as equivalent of whole time employees was:		
Housing management	0	0
Administration and clerical	1	0
	1	0
Costs for the above employees were:	2018	2017
	£'000	£'000
Wages & salaries	43	0
Social security costs	8	0
Employers pension contribution	8	0
Past & current pension service costs above cash	0	0
	59	0
	2018	2017
	£'000	£'000
b) Directors emoluments:		
Emoluments payable to directors (including pension contribution and benefits in kind)	0	0
	0	0

Notes to the Financial Statements at 31 March 2018

5. Turnover, operating costs and operating surplus for the Year

2018	Turnover £'000	Operating costs £'000	Operating surplus £'000
Income and expenditure from lettings	3,664	(2,335)	1,329
Service charge income	1,523	(1,455)	68
	5,187	(3,790)	1,397
2017	Turnover £'000	Operating costs £'000	Operating surplus £'000
Income and expenditure from lettings	3,115	(1,850)	1,265
Service charge income	1,171	(1,130)	41
	4,286	(2,980)	1,306

Income and expenditure from lettings includes amortised government grants of £384k (2017: £298k).

6. Particulars of income and expenditure from social housing lettings

	2018 £'000	2017 £'000
Turnover from lettings and service charges:		
Rents receivable	3,570	2,882
Service charge income	1,686	1,215
Rent and service charge voids	(455)	(109)
Amortised government grants	384	298
	5,187	4,286

Notes to the Financial Statements at 31 March 2018

6. Particulars of income and expenditure from social housing lettings

	2018 £'000	2017 £'000
Premises	12	12
Supplies and services	533	442
Service charge costs (excluding depreciation)	1,395	1,063
Maintenance	399	346
Bad debt	18	12
Depreciation of housing properties	1,399	1,074
Non dwellings depreciation	11	7
Auditors fees in total	7	16
Office Costs	9	-
IT expenses	2	3
Other	5	3
	3,790	2,978

7. Operating Surplus

	2018 £'000	2017 £'000
The operating surplus is arrived at charging:		
Depreciation of housing properties	1,399	1,074
Depreciation of other tangible fixed assets	11	7
Auditors remuneration for audit of statements	7	7
Other services obtained by appointed auditor	-	9

8. Gain on disposal of property

	2018 £'000	2017 £'000
Disposal proceeds	-	141
Grant income discount accrual	-	9
Less:		
Carrying value of fixed assets	-	(95)
Carrying value of grant on disposal (note 23)	-	61
Administrative costs of sale	-	(1)
	-	115
Transfer to disposal proceeds fund (note 27)	-	(112)
Net gain on disposal of properties	-	3

Notes to the Financial Statements at 31 March 2018

9. Accommodation in management

	2018	2017
At the end of the year accommodation in management for each class of accommodation was as follows:		
	No.	No.
Social housing		
- social rent	192	192
- affordable rent	152	134
Supported housing	284	213
Housing for older people	52	24
Low cost home ownership	24	14
Total managed	704	577
Managed by agent	14	14
Total owned and managed	718	591
Accommodation in development at the year end	46	125

10. Interest receivable and other income

	2018	2017
	£'000	£'000
Interest receivable	-	3
	-	3

This relates to investment interest gained within the year.

11. Interest payable and similar charges

	2018	2017
	£'000	£'000
Interest payable	1,021	752
	1,021	752

This largely relates to interest on loan agreements.

Notes to the Financial Statements at 31 March 2018

12. Fixed Assets - Housing properties

2017-18	Social housing properties held for letting £'000	Housing properties for letting under construction £'000	Completed shared ownership housing properties £'000	Total £'000
Cost:				
At 1 April 2017	52,395	11,961	769	65,125
Additions	-	6,042	-	6,042
Works to existing properties	5	-	-	5
Interest capitalised	-	187	-	187
Schemes completed	12,371	(13,336)	965	-
Transfer to current assets	-	-	(241)	(241)
As at 31 March 2018	64,771	4,854	1,493	71,118
Depreciation:				
At 1 April 2017	(3,698)	-	(70)	(3,768)
Depreciation charged in year	(1,382)	-	(17)	(1,400)
As at 31 March 2018	(5,080)	-	(87)	(5,168)
Net Book Value				
As at 31 March 2018	59,691	4,854	1,405	65,950
As at 31 March 2017	48,697	11,961	699	61,357

12. Fixed Assets - Housing properties continued

	2018 £'000	2017 £'000
Expenditure on works to existing properties		
Improvement works capitalised	5	81
Amounts charged to expenditure	399	346
	404	427

Notes to the Financial Statements at 31 March 2018

12. Fixed Assets - Social housing assistance

	2018 £'000	2017 £'000
Total accumulated social housing grant received or receivable at 31 March 2018:	34,562	32,651
Recognised in statements of comprehensive income	1,442	1,049
Held as deferred income	33,120	31,602
	34,562	32,651

12. Fixed Assets - Finance costs

	2018 £'000	2017 £'000
Aggregate amount of finance costs included in the cost of housing properties	771	584
	771	584

13. Fixed Assets - Plant and equipment

2017-18

	Disabled adaptations £'000	IT software & hardware £'000	Total £'000
Cost:			
At 1 April 2017	50	16	67
Additions	5	33	38
At 31 March 2018	55	49	105
Depreciation and impairment:			
At 1 April 2017	(9)	(7)	(16)
Depreciation charged in year	(6)	(5)	(11)
At 31 March 2018	(15)	(12)	(28)
Net Book Value			
As at 31 March 2018	40	37	77
As at 1 April 2017	41	9	50

14. Properties for sale

	2018 £'000	2017 £'000
Shared ownership properties	450	208
	450	208

Notes to the Financial Statements at 31 March 2018

15. Trade and other debtors

	2018 £'000	2017 £'000
Rent and service charge receivable	149	103
Less provision for bad and doubtful debts	(65)	(51)
	84	52
Amounts due from Newcastle City Council	1	796
Other debtors and prepayments	3	93
	88	941

16. Creditors: amounts falling due in less than one year

	Note	2018 £'000	2017 £'000
Amounts due to Newcastle City Council		712	3,723
Amounts due to Your Homes Newcastle		60	51
Contractor payments		-	26
Contractor payments (NCC)		-	6
Interest payable		27	26
Interest payable (NCC)		599	357
Tenants payments in advance		90	84
Other accruals		101	47
Deferred grant income	23	420	376
Local authority loans (NCC)	25	1,471	819
Accounts payable		78	2
		3,558	5,517

17. Creditors: amounts falling due in more than one year

	Note	2018 £'000	2017 £'000
Deferred grant income	23	32,700	31,226
Local authority loans (NCC)	25	28,691	22,455
Bank loans	25	5,000	5,000
Disposals proceeds fund	26	112	112
Loan issue costs	25	(103)	(110)
		66,400	58,683

Notes to the Financial Statements at 31 March 2018

18. Financial Instruments

	2018 £'000	2017 £'000
<i>Financial liabilities measured at amortised cost</i>		
Loans	35,060	28,164
Trade Payables	78	2
<i>Financial assets measured at amortised cost</i>		
Trade Receivables	-	72
Cash	4,889	2,764

Notes to the Financial Statements at 31 March 2018

19. Cash flow from operating activities

	2018 £'000	2017 £'000
Cash flow from operating activities:		
Surplus for the year	376	560
<u>Adjustments for non-cash items:</u>		
Depreciation of tangible fixed assets	1,410	1,081
Amortisation of grants	(384)	(298)
Net book value of tangible fixed asset disposals	-	(3)
Increase/(decrease) in trade and other debtors	53	109
(Increase)/decrease in creditors	(2,887)	631
Interest payable	1,153	752
Interest receivable	-	(3)
Net cash (used in) /generated from operating activities	(280)	2,829

20. Capital commitments

	2018 £'000	2017 £'000
Expenditure contracted for but not provided in the accounts	466	6,093
Expenditure authorised by board, but not contracted	-	-
	466	6,093

Notes to the Financial Statements at 31 March 2018

21. Related party transactions

During the year Leazes Homes entered into transactions, in the ordinary course of business with other related parties.

Key Management Personnel

The directors consider that the board of Trustees and Managing Director comprise the key management personnel of Leazes Homes. None of the Trustees received remuneration for the year ended March 2018. The managing director is now employed directly by Leazes Homes.

One Trustee is a tenant of Leazes Homes and all transactions with this Trustee take place under normal commercial conditions. Associated transactions can be seen in the table

Entities with significant influence over the company

Newcastle City Council (NCC)

Most cash book payments and receipts are made via NCC's banking facilities with the net balance owing to or from the City Council being disclosed as a current asset or liability as appropriate.

The Trustees who are Newcastle City Council do not use their position as Trustees to gain any commercial advantage. Where conflicts do arise they are fully disclosed either in advance of a Board meeting or at such a meeting. If appropriate the NCC Trustee would leave the meeting to enable the matter to be discussed in their absence thereby avoiding a conflict of interest.

	Sales to related party £'000	Purchases from related party £'000	Amounts owed from related party £'000	Amounts owed to related party £'000
Key Management Personnel -				
Tenant trustee				
2018	5	-	-	-
2017	16	-	-	-
NCC				
2018	87	2,614	2	31,473
2017	30	28	796	27,360

During the year Leazes Homes drew loans of £7,300,000 and received grants of £1,700,000 from NCC. Leazes Homes repaid loans of £380,000.

Notes to the Financial Statements at 31 March 2018

22. Liability of members

The charitable company is a private company limited by guarantee. The liability of the members is limited and every member undertakes to contribute to the assets of the charitable company, in the event of the charitable company being wound up while he or she is a member, or within one year after he or she ceases to be a member, for the debts and liabilities of the charitable company contracted before he or she ceased to be a member and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required not exceeding ten pounds.

23. Deferred Grant Income

	2018 £'000	2017 £'000
At 1 April	31,602	26,888
Grant received in the year	1,911	5,073
Released to income in the year	(393)	(298)
Grants repaid or repayable		(61)
At 31 March	33,120	31,602
Amounts to be released within one year	420	376
Amounts to be released in more than one year	32,700	31,226
	33,120	31,602

24. Interest and Financing Costs

	2018 £'000	2017 £'000
Loans and bank overdrafts (net of issue costs)	35,060	28,164
	35,060	28,164
Interest payable capitalised on housing properties under construction	187	237
Capitalisation rate used to determine the finance costs capitalised during the period	3.98%	3.87%

The loans from Newcastle City Council bear interest rates of between 3.35% and 5.42%, fixed for between 15 and 30 year periods. The loans are secured against the housing assets and are repaid on an annuity basis in periods of six months or one year. Other loans bear variable interest rates on a LIBOR basis.

Notes to the Financial Statements at 31 March 2018

25. Debt analysis

	2018 £'000	2017 £'000
Due within one year:		
Local authority loans	1,471	819
	1,471	819
Due after more than one year:		
Bank loans	5,000	5,000
Local authority loans	28,691	22,455
Less: issue costs	(102)	(110)
	33,589	27,345
	35,060	28,164

Security

Local Authority loans are secured by fixed charges on individual properties. The bank loans are secured by a floating charge over the assets of the association and by fixed charges on individual properties

Terms of repayment and interest rates

The loans from local authorities are repaid in half-yearly instalment, over the estimated life of the scheme on which the loan is secured, at fixed rates of interest ranging from 3.35% to 5.42%. The final instalments fall to be repaid in the period 2018 to 2041. The bank loan with RBS will be paid in full by a single instalment on the final repayment date in August 2024.

At 31 March 2018 Leazes Homes had undrawn loan facilities of £1m (2017: £8.3m).

Maturity of the loans are as follows:	2018 £'000	2017 £'000
In one year or less, or on demand	1,471	819
Between one and two years	1,020	825
Between two and five years	3,338	2,692
In five years of more	29,333	23,938
	35,162	28,274

All loans are shown on an amortised cost basis.

Notes to the Financial Statements

at 31 March 2018

26. Disposals Proceeds Fund

	2018 £'000	2017 £'000
Funds pertaining to activities within areas covered by the HCA:		
At 1 April 2017	112	-
Inputs to DPF: Funds Recycled	-	112
Outputs from DPF: Recycling of grant	-	-
At 31 March 2018	112	112
Amounts 3 years old or older	-	-
Total Disposal Proceeds Fund Balance	112	112

27. Parent undertaking and controlling party

The Trustees consider the Leazes Homes Board to be the ultimate controlling party.

